

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECTED SUB. REPORT/abd.

DATE FILED 11-5-84

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO.

U-52606

INDIAN

DRILLING APPROVED: 11-8-84 - Exception location

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION

DATE ABANDONED:

FIELD:

WILDCAT

UNIT:

COUNTY:

WAYNE

WELL NO.

ARCO #1 USA-HNG

LOCATION

1900' FSL

FT. FROM (N) (S) LINE.

920' FEL

FT. FROM (E) (W) LINE.

API #43-055-30037

NE SE

1/4 - 1/4 SEC. 27

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				28S	3E	27	ARCO OIL & GAS CO.

NOTICE OF STAKING
(Not to be used in place of
Application to Drill Form 9-331-C)

RECEIVED NOGA 5/8/82

File Confidential
5. Lease Number

U-52606

OCT 17 1984

1. Oil Well ☒ Gas Well ☐ Other ☐

DIVISION OF OIL
GAS & MINING

6. If Indian, Allottee or Tribe Name

NA

7. Unit Agreement Name

NA

8. Farm or Lease Name

NA

9. Well No.

ARCO #1 USA HNG

10. Field or Wildcat Name

Wildcat

**11. Sec., T., R., M., or
Blk and Survey or Area**

Section 27-T28S-R3E

12. County or Parish

Wayne

13. State

Utah

2. Name of Operator. ARCO Oil and Gas Company, Division
of Atlantic Richfield Company

3. Address of Operator or Agent

P.O. Box 5540, Denver, Colorado 80217

4. Surface Location of Well.
(Governmental 1/4 or 1/4 1/4) Surveyed at:

1900' FSL & 920' FEL
Sec 27-T28S-R3E (NE/4 SE/4)

**Attach: Topographical or other acceptable map
showing location, access road, and lease boundaries.**

14. Formation Objective(s)

Kaibab @ 3835'
Cedar Mesa @ 4545'
Redwall @ 5700'

15. Estimated Well Depth

6100'

16. To Be Completed by Operator Prior to Onsite

- a. Location must staked
- b. Access Road Flagged
- c. Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
(To be provided at onsite)

17. To Be Considered By Operators Prior to Onsite

- a. H₂S Potential
- b. Private Surface Ownership
- c. Cultural Resources (Archaeology)
- d. Federal Right of Way

18. Additional Information

- a. Attached are the Certified Survey Plat, cross-section and cuts and fills and directions to wellsite location.
- b. An archaeology survey has been completed, a report will be made a portion of the APD package.
- c. H₂S safety equipment will be on location from 2800' to Total Depth, (see below)

19. Signed *J. McLeath* for **Title** Operations Manager

L.B. Morse

Date 10-8-84

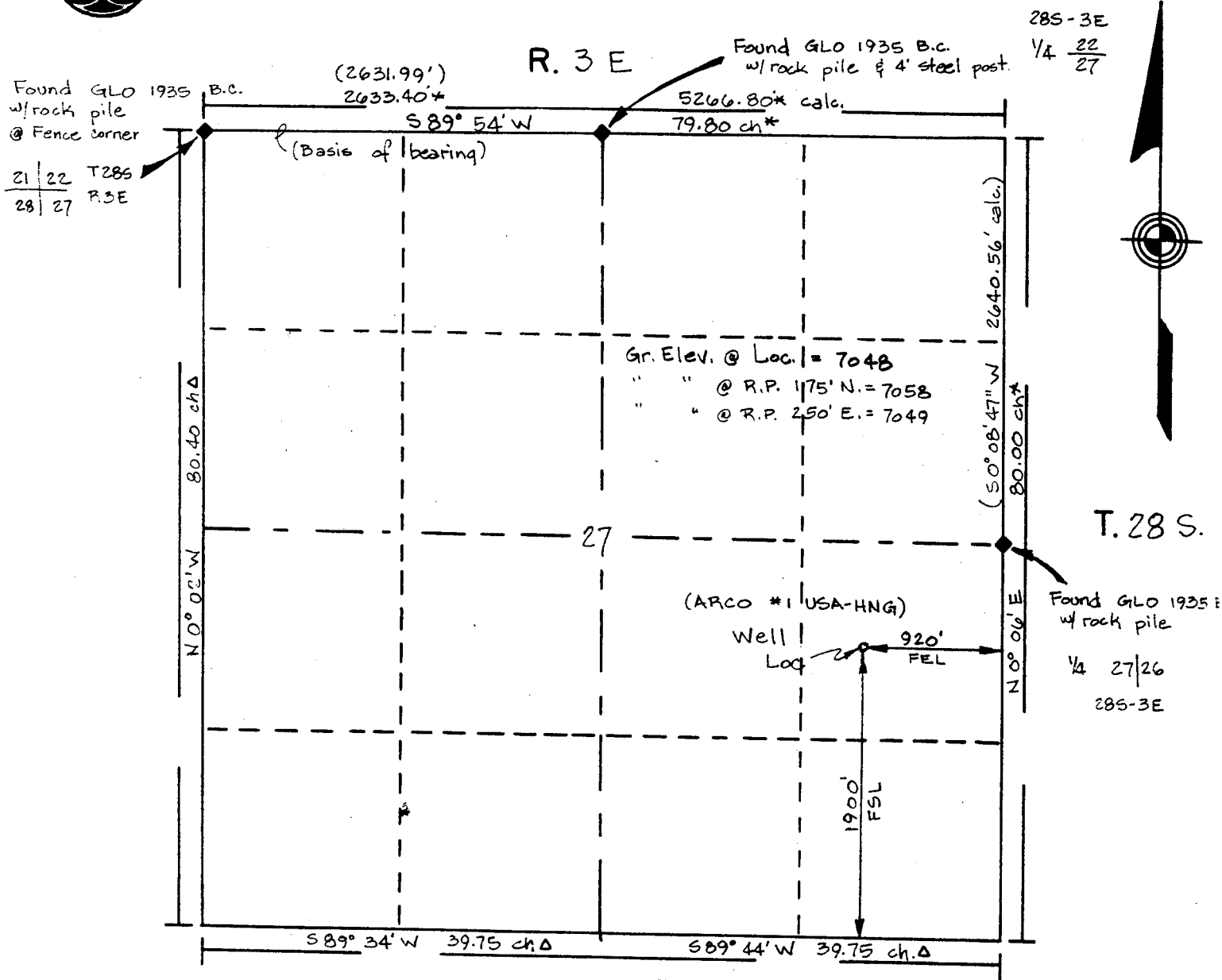
due to the nature of this location although H₂S is not anticipated.

- d. The surface is administered by the BLM.
- e. For any questions regarding this permit, please contact Ms. Suzanne Barnes of our Drilling Department at (303) 293-1077.



FORM E-106

- * Record GLO plat 1941
- △ Record BLM plat 1966
- ◆ Corner Found
- () Field measure



Scale... 1" = 1000'

Powers Elevation of Denver, Colorado
has in accordance with a request from HARRY ENGLE
for ARCO OIL & GAS CO.
determined the location of ARCO #1 USA-HNG
to be 1900' FSL & 920' FEL of Section 27 Township 28 South
Range 3 East of the SALT LAKE Meridian
WAYNE County, UTAH

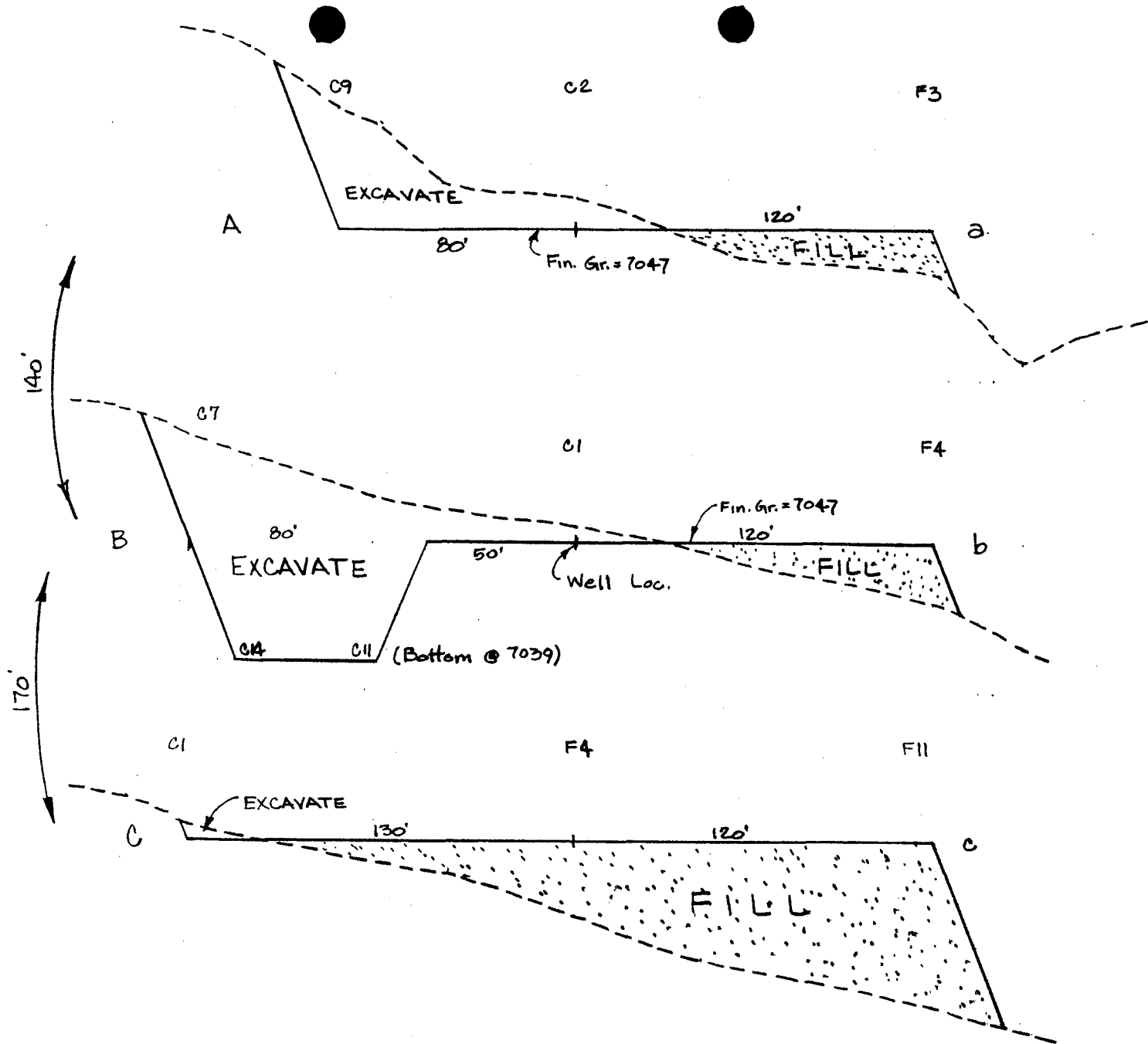
I hereby certify that this plat is an
accurate representation of a correct
survey showing the location of

Date: SEPT. 29, 1984

E. Samuel Stegeman

Licensed Engineer No. 20596
State of COLORADO "Utah exception"





--- Existing ground
 — Proposed grade

C or F is Cut or Fill from existing ground to finish grade.

Scales: 1" = 50' Horiz.
 1" = 10' Vert.

All sideslopes @ 2:1.

± 5,900 yd³ Fill

± 6,500 yd³ Cut

Quantities will vary with final pad size.

ARCO OIL & GAS CO.
 ARCO #1 USA-HNG
 NE-SE 27-28S-3E
 WAYNE CO., UTAH

SEPT. 29, 1984
 E.S.S.

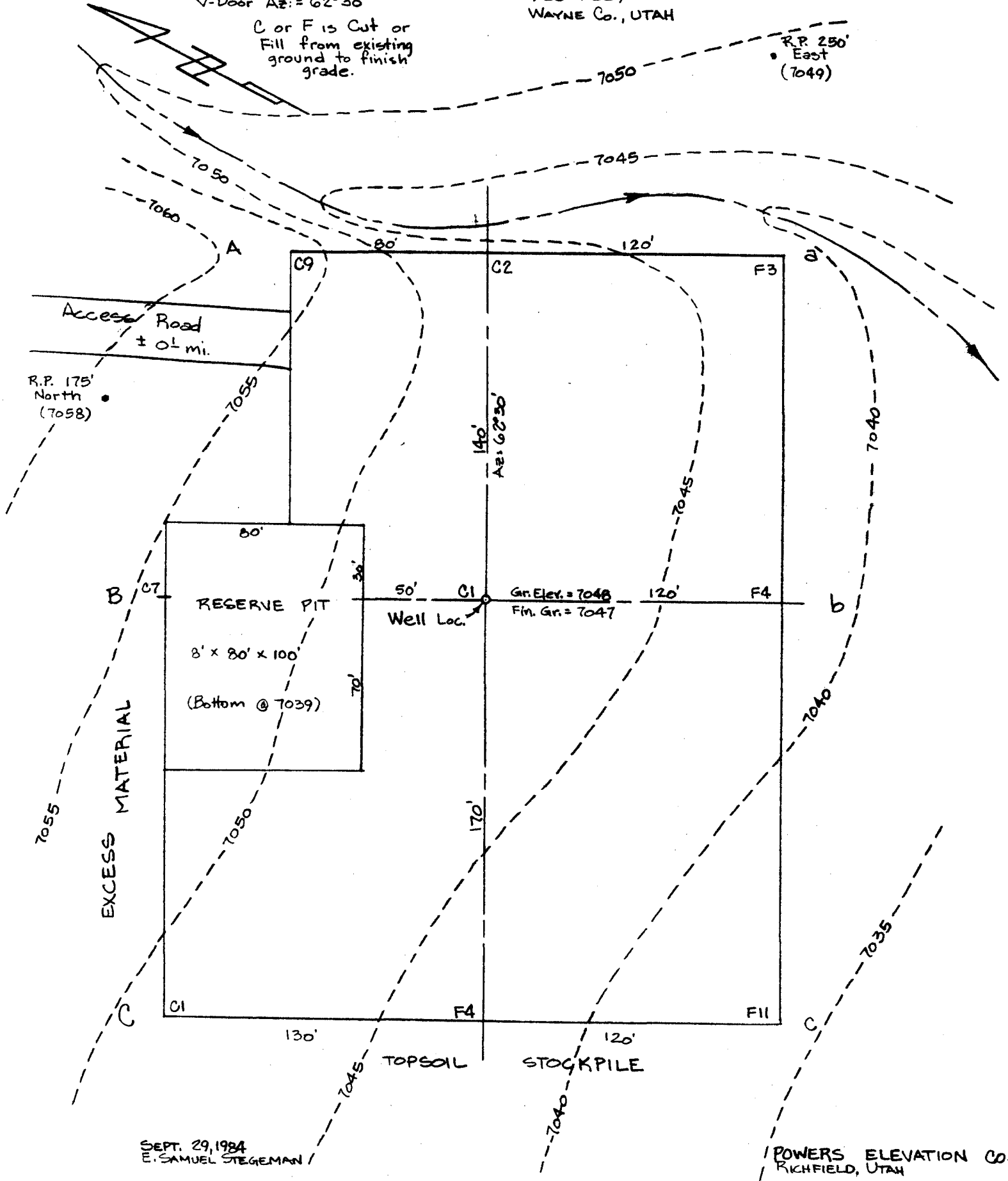
POWERS ELEVATION CO.
 RICHFIELD, UTAH

1" = 50'
 C.I. = 5 feet
 V-Door Az: = 62°30'

C or F is Cut or
 Fill from existing
 ground to finish
 grade.

ARCO OIL & GAS CO.

ARCO #1 USA-HNG.
 1900 FSL Sec. 27-28S-3E
 920 FEL)
 WAYNE Co., UTAH



SEPT. 29, 1984
 E. SAMUEL STEGEMAN

POWERS ELEVATION CO.
 RICHFIELD, UTAH

Sept. 29, 1984
E.S.S.



POWERS ELEVATION

Gr. Elev. = 7048

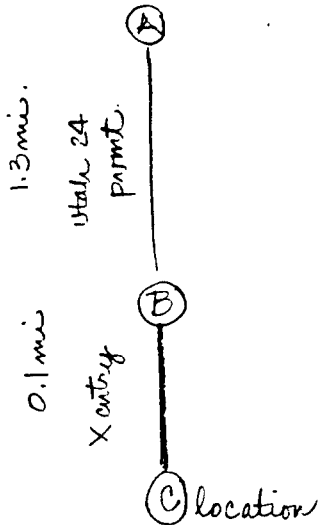
ARCO OIL & GAS CO.

ARCO #1 USA-HNG

1900 FSL }
920 FEL } 27-28S-3E

WAYNE Co, UTAH

N

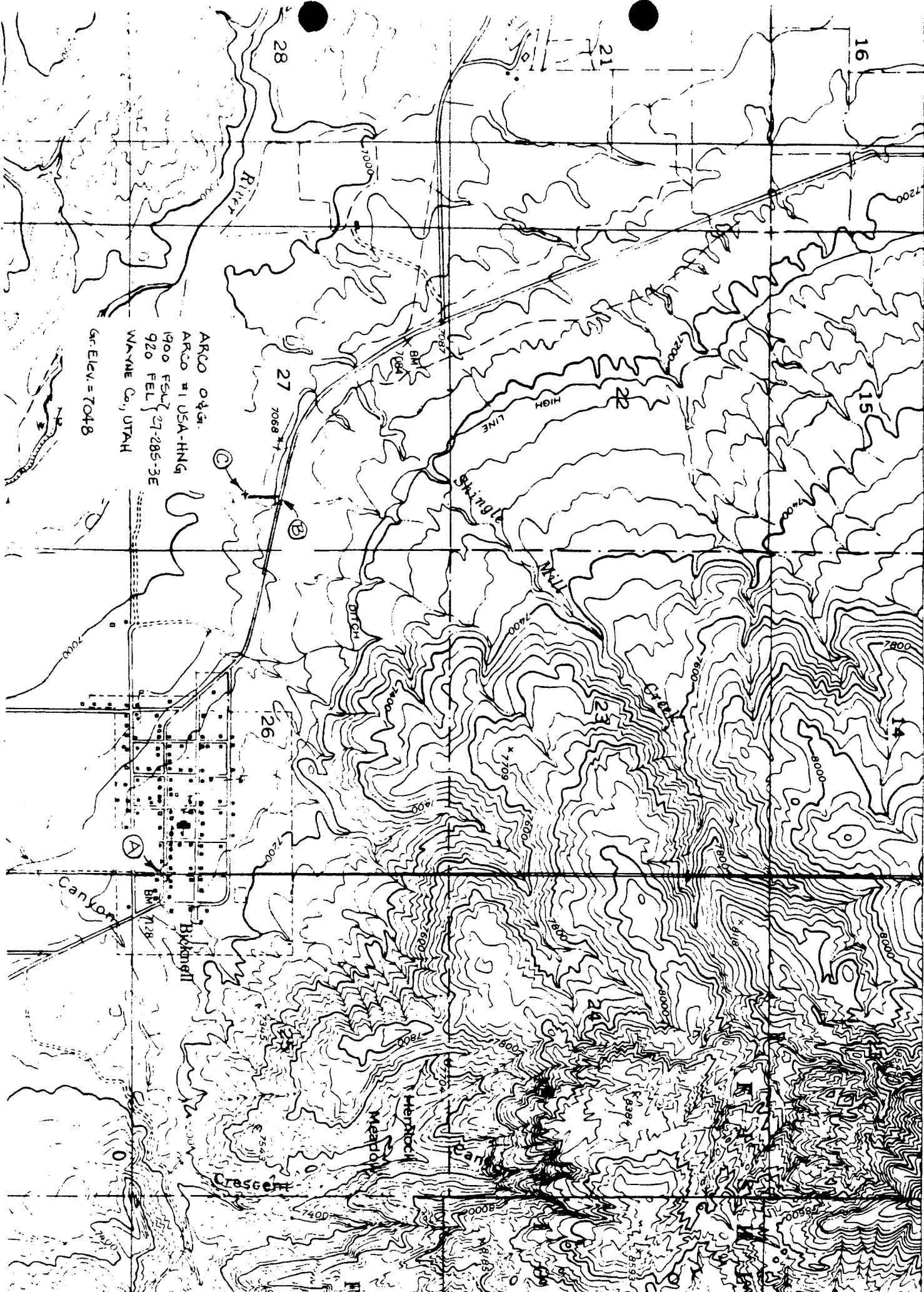


Begin in Bicknell, Utah (\pm 60 mi East of Richfield, Ut) at U.S. Post Office and continue west on Utah Hwy #24 for 1.3 mi to equivalent mile marker 57 \pm @ (B);

Turn left onto flagged access cross country for 0.1 mi to location (C).

Note: Need to install one 18" dia. CMP between (B) & (C) for drainage.

R 3 E R 4 E



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**CONFIDENTIAL** DESIGNATION AND SERIAL NO.

U-52606

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

ARCO Oil and Gas Co., A Division of Atlantic Richfield Company

3. ADDRESS OF OPERATOR

P.O. Box 5540, Denver, CO 80217

4. LOCATION OF WELL (Report location clearly and in accordance with State spacing regulations)

1900 FSL & 920' FEL (NE1/4 SE1/4)

At proposed prod. zone

Approx. the same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

Approx. 1.3 miles west of Bicknell, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drilg. unit line, if any) 580'

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

16. NO. OF ACRES IN LEASE

1917.88

19. PROPOSED DEPTH

6100'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

Not assigned

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

Ground elevation: 7048'

22. APPROX. DATE WORK WILL START*

Nov. 26, 1984

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#, K-55, STC	800'	Cmt to surf-approx 940 sx
12-1/4"	9-5/8"	36.0#, K-55, STC	2400'	Cmt to surf-approx 890 sx
8-3/4"	7"	23.0#, K-55, STC	6100'	Cmt to base of 9-5/8", approx 340 sx

Propose to drill to 6100' to test the Kaibab, Cedar Mesa, & Redwall formations. This permit is being filed in accordance with Onshore Oil & Gas Order #1. This surveyed location does not meet State of Utah spacing regulations due to topographical conditions, therefore ARCO Oil & Gas Company requests an exception to State spacing due to topography.

Attachments:

Drilling Program with Exhibits

Surface use program with Exhibits.

HNG Oil Company is the current lessee of record, however a Designation of Operator is attached. The access road is within the subject lease, therefore a Right-of-Way is not required.

For any questions concerning this subject please call Ms. Suzanne Barnes of our Drilling Department at (303)293-1077.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

L.B. Morse

TITLE

Operations Manager

DATE

11/1/84

(This space for Federal or State office use)

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE

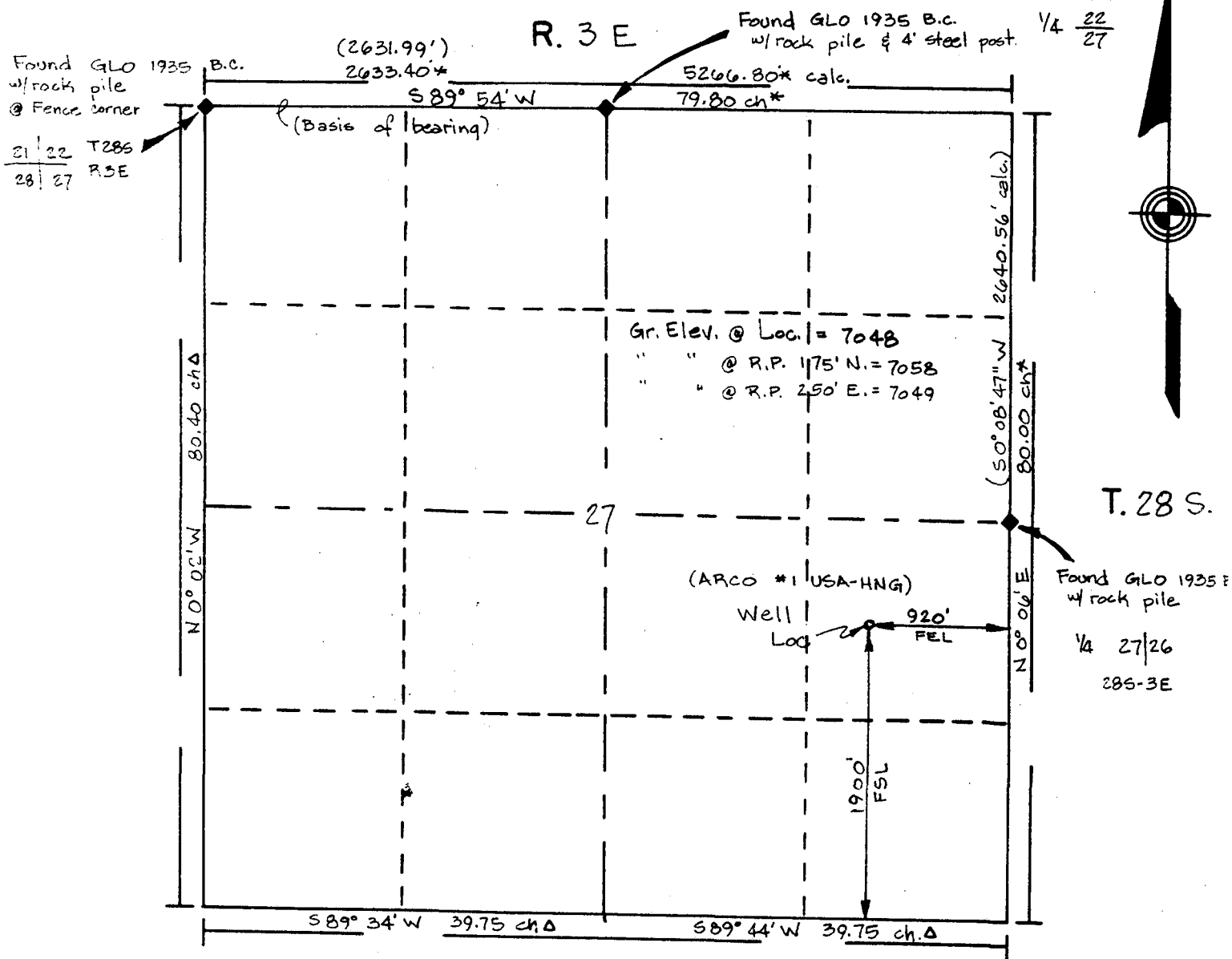
BY

11/8/84
John R. Bays



FORM F-106

- * Record GLO plat 1941
- △ Record BLM plat 1966
- ◆ Corner Found
- () Field measure

EXHIBIT "B"**CONFIDENTIAL****Powers Elevation of Denver, Colorado**

has in accordance with a request from HARRY ENGLE
for ARCO OIL & GAS CO.

determined the location of ARCO #1 USA-HNG
to be 1900' FSL & 920' FEL of Section 27 Township 28 South
Range 3 East of the SALT LAKE Meridian
WAYNE County, UTAH

I hereby certify that this plat is an
accurate representation of a correct
survey showing the location of

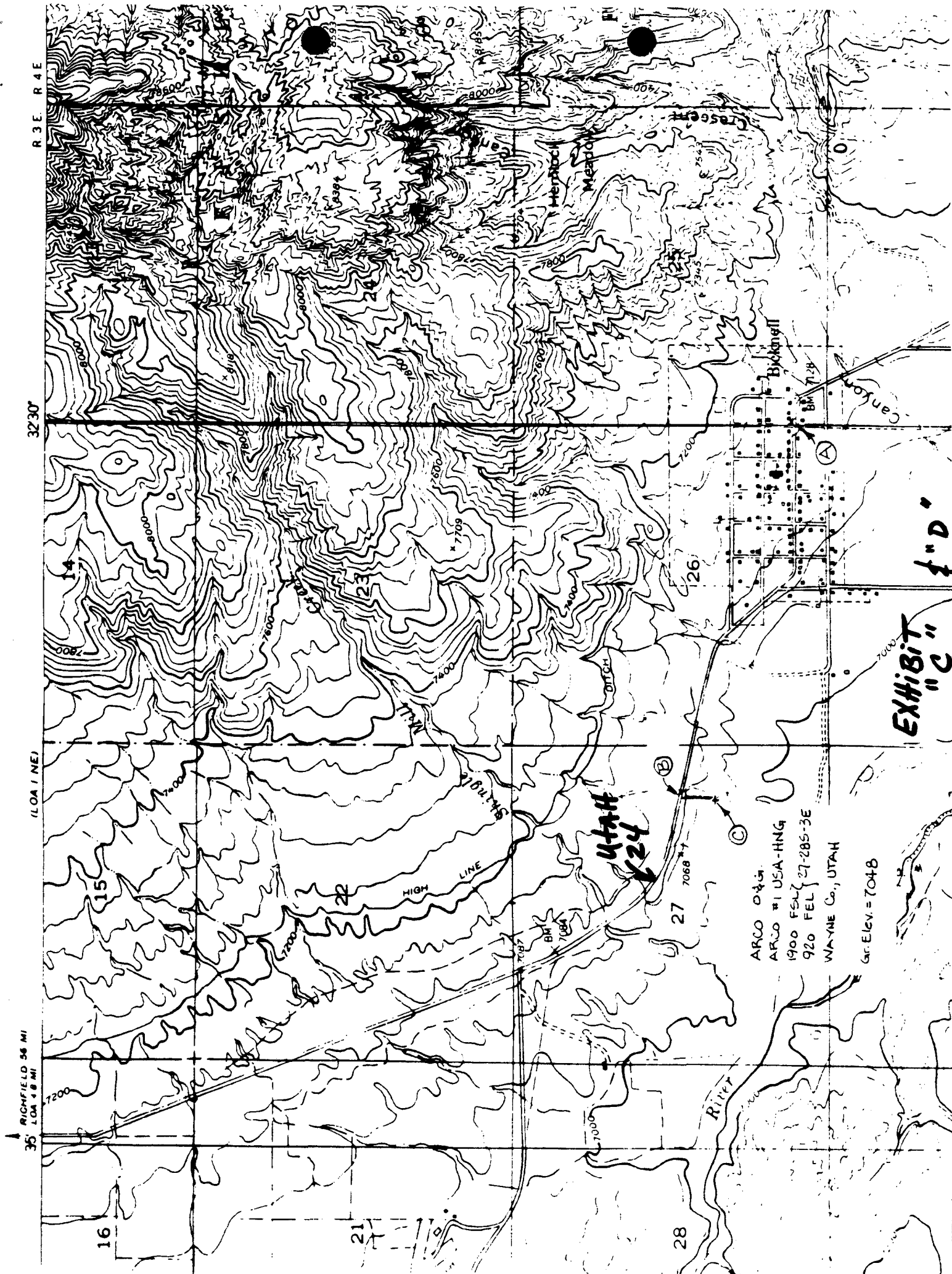
Date: SEPT. 29, 1984

E. Samuel Stegeman

Licensed Engineer
State of COLORADO



No. 2
"Utah exception"



35' RICHFIELD 56 MI
1.0A 4.8 MI

(LOA / NE)

32°30'

R 3 E R 4 E

ARCO O&G
ARCO #1 USA-HNG
1900 FSL
920 FEL 27-285-3E
WAYNE Co., UTAH
Gr. Elev. = 7048

EXHIBIT
"C"

fnd

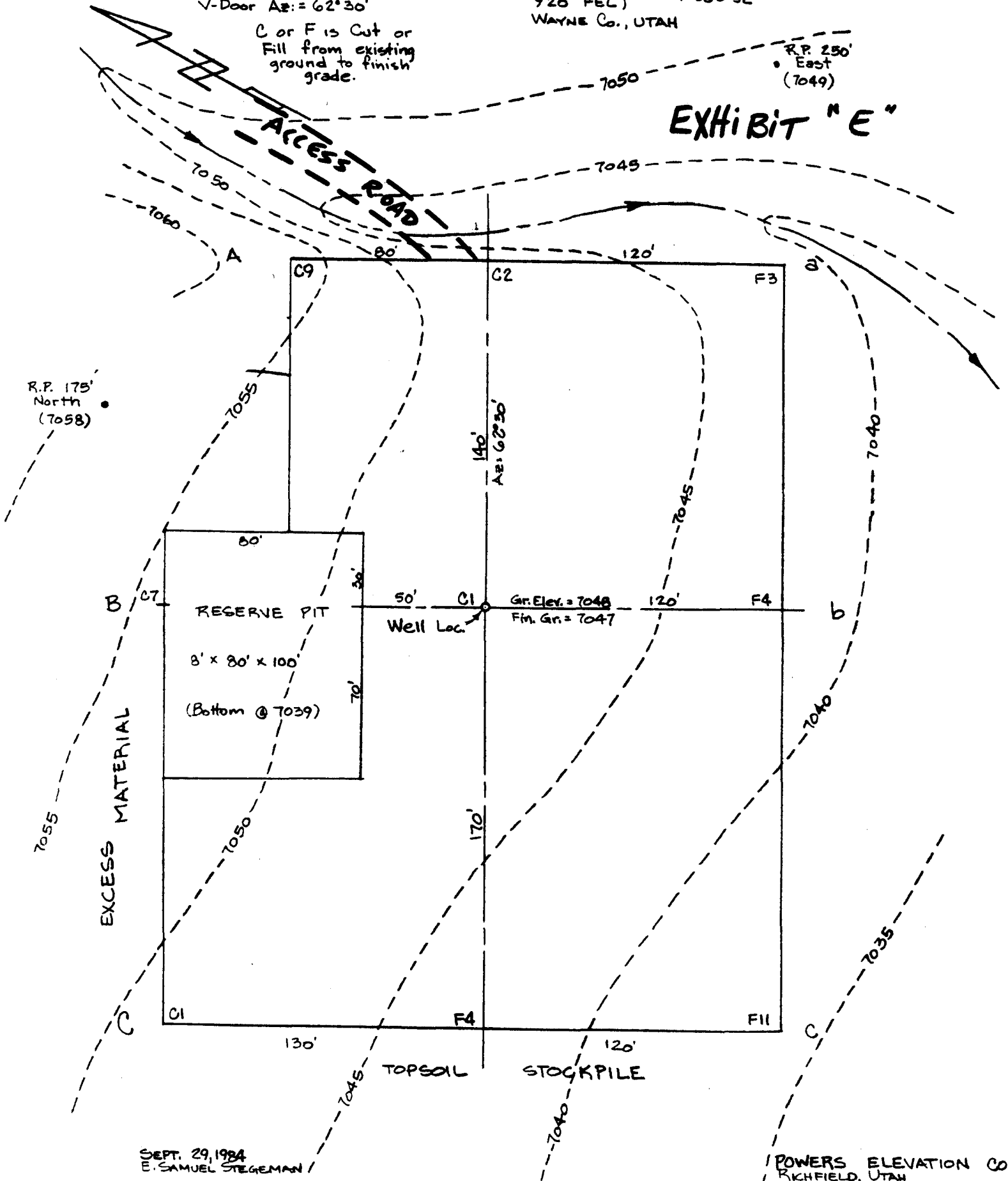
1" = 50'
C.I. = 5 feet
V-Door Az: = 62°30'

ARCO OIL & GAS CO.
ARCO #1 USA-HNG.
1900 FSL 7 Sec. 27-28S-3E
920 FEL)
WAYNE Co., UTAH

C or F is Cut or
Fill from existing
ground to finish
grade.

R.P. 250'
• East
(7049)

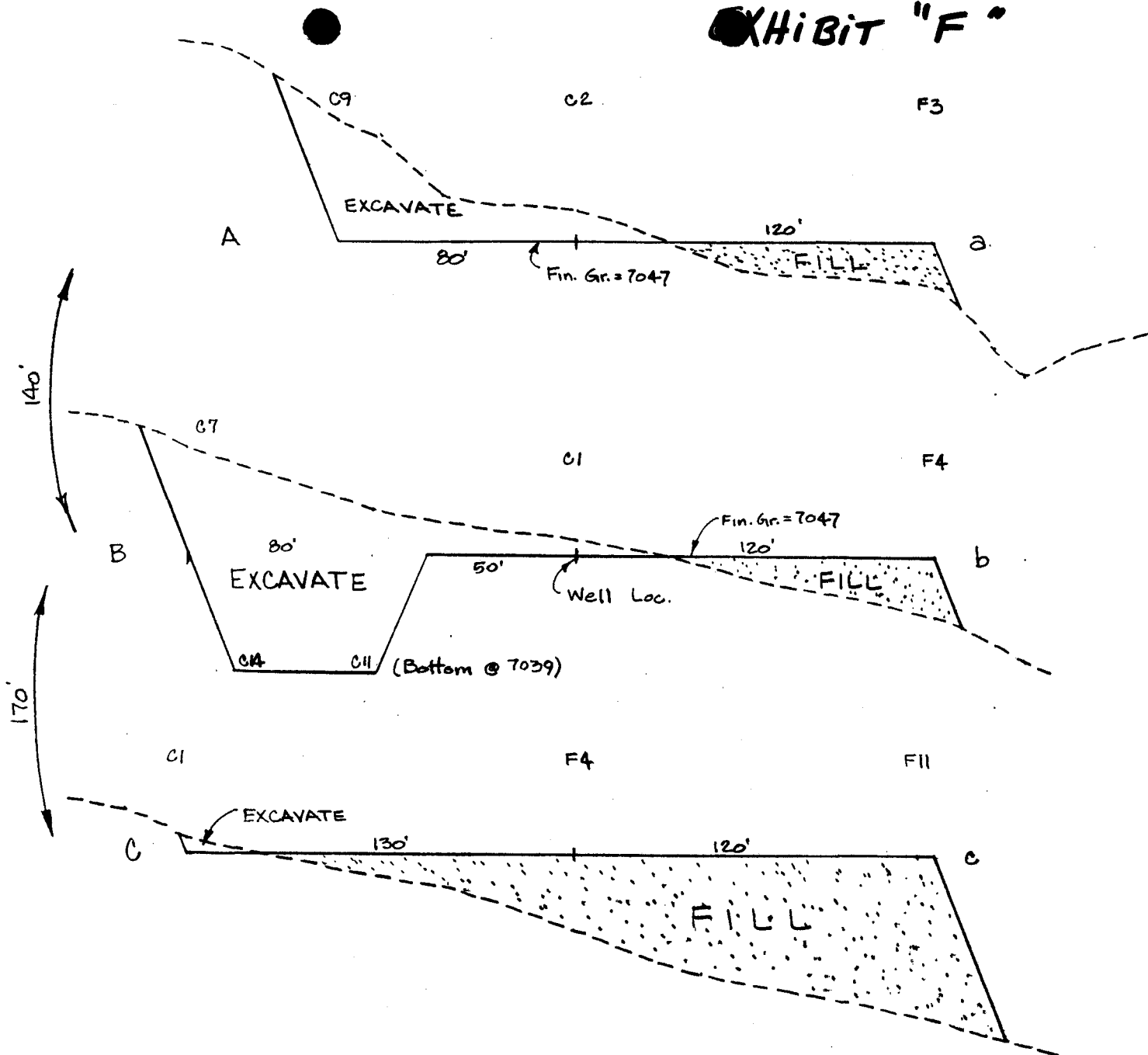
EXHIBIT "E"



SEPT. 29, 1984
E. SAMUEL STEGEMAN

POWERS ELEVATION CO.
RICHFIELD, UTAH

EXHIBIT "F"



--- Existing ground
 — Proposed grade

C or F is Cut or Fill from existing ground to finish grade.

Scales: 1" = 50' Horiz.
 1" = 10' Vert.

All sideslopes @ 2:1.

± 5,900 yd³ Fill
 ± 6,500 yd³ Cut

Quantities will vary with final pad size.

ARCO OIL & GAS CO.
 ARCO #1 USA-HNG
 NE-SE 27-28S-3E
 WAYNE Co., UTAH

SEPT. 29, 1984
 E.S.S.

POWERS ELEVATION CO.
 RICHFIELD, UTAH

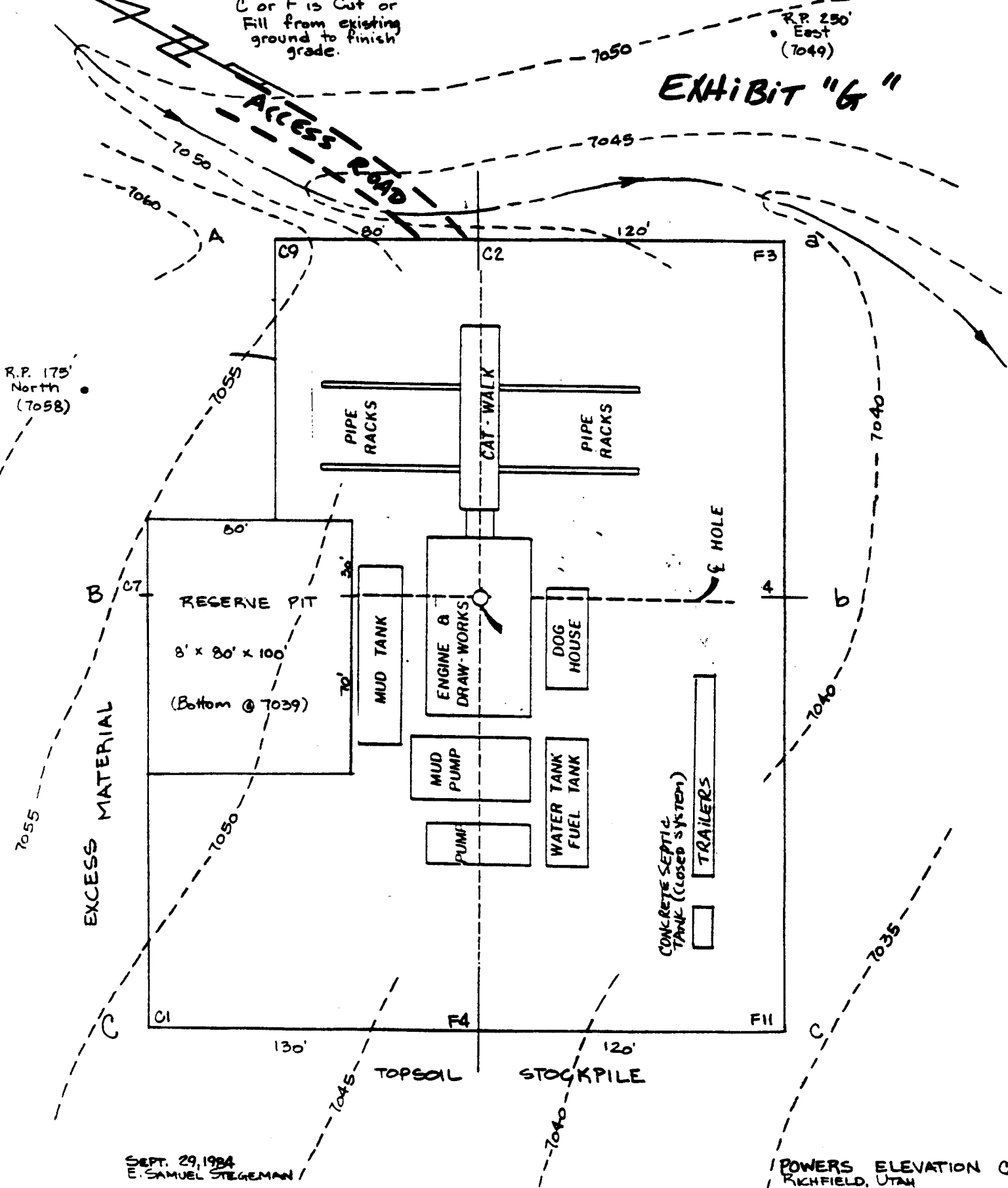
ARCO OIL & GAS CO.
 ARCO #1 USA-HNG.
 1900 PSL Sec. 27-28S-3E
 920 FEL)
 WAYNE Co., UTAH

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 V-Door Az = 62°30'

C or F is Cut or
 Fill from existing
 ground to finish
 grade.

R.P. 250'
 East
 (7049)

EXHIBIT "G"



SEPT. 29, 1984
 E. SAMUEL STEGEMAN

POWERS ELEVATION CO.
 RICHFIELD, UTAH

EXHIBIT "H"

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: BLM - Salt Lake City, Utah 84111
SERIAL No.: U-52606

and hereby designates

NAME: ARCO Exploration Company
Exploration Operations - Western U.S.
ADDRESS: 707 17th Street, P. O. Box 5540
Denver, Colorado 80217

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Township 28 South, Range 3 East
Section 27: SE/4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

HNG OIL COMPANY

Robert A. May
.....
(Signature of lessee)

Robert A. May, Agent & Attorney-in-Fact
P. O. Box 2267
Midland, Texas 79702
.....
(Address)

October 11, 1984
.....
(Date)



POWERS ELEVATION

EXHIBIT " I "

OIL WELL ELEVATIONS - LOCATIONS
ENVIRONMENTAL-ARCHAEOLOGICAL SERVICES
600 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222-1787
PHONE NO. 303/321-2217

October 12, 1984

Mr. Harry Engle
ARCO Oil & Gas Company
P.O. Box 5540
Denver, CO 80217

Dear Mr. Engle:

Enclosed is the cultural resource survey report for the following ARCO Oil & Gas Company location:

ARCO #1 USA-HNG

A BLM Class-III pedestrian survey and an inspection of existing records were performed for this location by Powers Elevation. No cultural resources were found in the literature, pertinent site files, or during our field survey.

In view of this lack of cultural resources, we recommend that the proposed project be allowed to proceed.

If you have any questions regarding this report, please feel free to contact this office.

Sincerely,

Marcia J. Tate

Marcia J. Tate
Manager
Archaeology Department

MJT:kr

cc: BLM, Richfield District
BLM, Henry Mountain
State Archaeologist/SHPO
Mr. Richard Fike, BLM State
Archaeologist
Mr. Brian P. O'Neil, Powers
Elevation

Cultural Resource Management Report

ARCO Oil & Gas Company
ARCO #1 USA-HNG
Wayne County, Utah

Lead Field Investigator

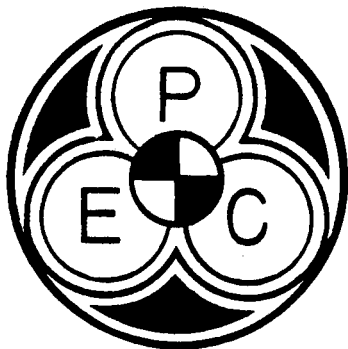
Brian P. O'Neil, M.A.

Principal Investigator

Marcia J. Tate

Date Oct. 15, 1984 For

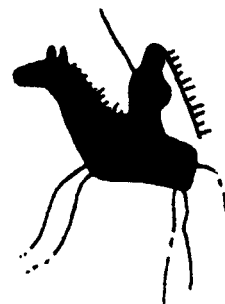
ARCO Oil & Gas Company



POWERS ELEVATION

CHERRY CREEK PLAZA, SUITE 1201
600 SOUTH CHERRY ST., DENVER, COLORADO 80222
(303) 321-2217

Archæology Division



A DIVISION OF PETROLEUM INFORMATION CORPORATION/A SUBSIDIARY OF A.C. NIELSEN COMPANY

Summary Report of Inspection for Cultural Resources

Comments: _____

1. Report Title A R C O # 1 U S A - H N G

3. Report Date 1008 1984
41 42 43 46

BLM-84-UT-54629;
4. Antiquities Permit No. State: U-84-5-113B.

5. Responsible Institution P O W E R S E L E V A T I O N County Wayne

6. Fieldwork Location: TWN

2	8	S
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 Range

3	E
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 Section(s)

2	7
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1,900' FSL, and TWN

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 Range

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 Section(s)

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800' FEL. TWN

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 Range

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 Section(s)

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62	65
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66	69
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70	71
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72	73
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74	75
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76	77
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78	81
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82	85
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86	87
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88	89
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90	91
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92	93
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7. Resource Area HM TWN Range Section(s)

PO=PONY EXPRESS, BR=BEAR RIVER, PR=PRICE RIVER, WS=WARM SPRINGS
BC=BOOK CLIFFS, HR=HOUSE RANGE, SE=SEVIER RIVER
HM=HENRY MOUNTAINS, BE=BEAVER RIVER, DX=DIXIE
KA=KANAB, ES=ESCALANTE, SJ=SAN JUAN, GR=GRAND
SR=SAN RAFAEL, DM=DIAMOND MOUNTAIN.

FH in spaces 65, 69, 81, 85, 97, 101 Only if:
V=Vernal Meridian
H=Half Township

8. Description of Examination Procedures: A 10 acre survey area surrounding the well pad center stake, was surveyed by walking a series of parallel east-west transects at intervals of 15 meters. Arroyo cuts, ant hills, and animal burrows were examined for evidence of buried cultural material. The access road was surveyed by zig-zag transects 50 feet each side of the center flags to form a 100 foot wide R.O.W. approximately 200 feet long, from its take off point along Utah State Highway 24.

9. Linear Miles Surveyed 112 117
and/or

10. Inventory Type I

Definable Acres Surveyed and/or

R: Reconnaissance
I: Intensive
S: Statistical Sample

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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(*A parcel hard to cadastrally locate i.e., ¹²⁴Center of section)

11. Description of Findings (attach appendices, if appropriate) 12. Number Sites Found: 0
No cultural resources were observed within the surveyed project area. No sites = 0 131 135

13, Collection: N Y=Yes, N=No

14. Actual/Potential National Register Properties Affected: None

15. Literature Search, Location/Date: A file search was conducted on 10/01/84, at the BLM District Office in Richfield, Utah, see continuation sheet.

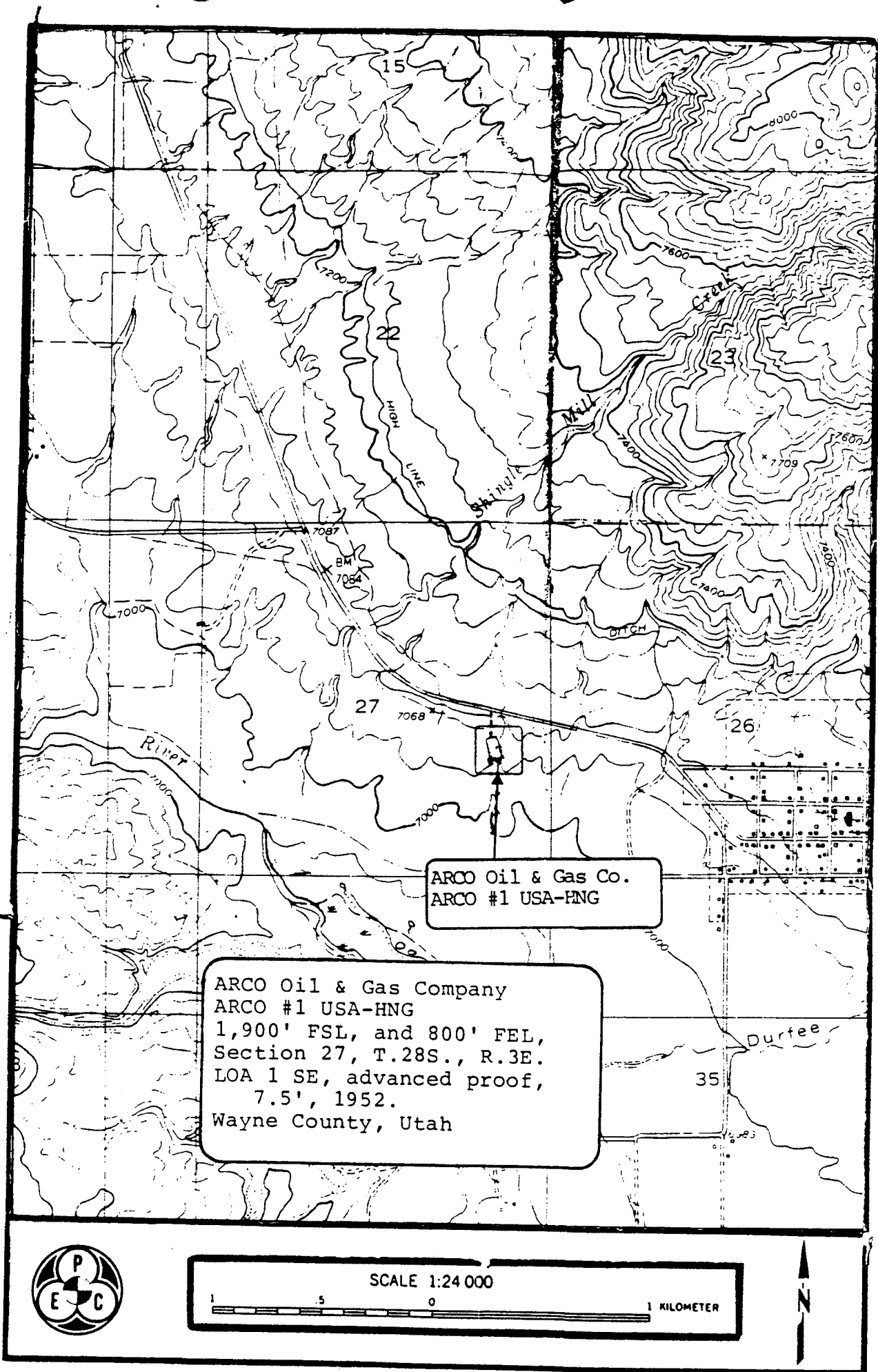
16. Conclusion/Recommendations: Due to the lack of cultural resources, we recommend that the project be allowed to proceed. Should buried cultural materials be encountered during the construction of the project, all work should cease and the BIM resource area archaeologist notified.

17. Signature

Brian O'Neil

ARCO Oil & Gas Company
ARCO #1 USA-HNG
Continuation Sheet

15. Literature Search, Location/Date:with Ms. Marian Rivette, BLM District Archaeologist. Two previous seismic surveys have been performed within the section. Survey #055-69-BYU, sites 42WN1400, 1401, & 1402 were recorded southwest of the project area. In addition, a portion of this project area was surveyed by Powers Elevation during seismic activities in October of 1982 as part of the Fishlake Phase III, Line #19 cultural resource inventory. Two sites, 42WN1414 and 1415 were recorded but are outside of the current project area. No sites have been previously reported within the project area. A files search requested on October 2, 1984, with the Division of State History (Utah State Historical Society) revealed no known sites nor previously conducted state permitted reconnaissance projects in the area.



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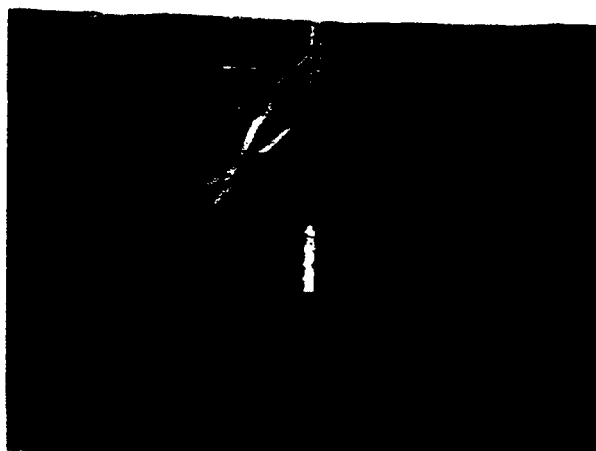
ARCO Oil & Gas Company
ARCO #1 USA-HNG
1,900' FSL, and 800' FEL,
Section 27, T.28S., R.3E.
LOA 1 SE, advanced proof,
7.5', 1952.
Wayne County, Utah



SCALE 1:24 000

1 5 0 1 KILOMETER

ARCO Oil & Gas Company
ARCO #1 USA-HNG
Section 27, T.28S., R.3E.
1,900' FSL, and 300' FEL,
Wayne County, Utah



Looking southwest at center
stake.

BUREAU OF LAND MANAGEMENT
RICHFIELD DISTRICT
CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

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Company: ARCO Oil & Gas Company

Well No.: ARCO #1 USA-HNG

Location: NEL/4 SE1/4, Sec. 27-T28S-R3E

Lease No.: U-52606

Onsite Inspection Date: October 23, 1984

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

Volcanics	- Surface	White Rim	- 3985'
Carmel	- 250'	Organ Rock	- 4430'
Navajo	- 785'	Cedar Mesa	- 4545'
Chinle	- 2335'	Elephant Canyon	- 4970'
Shinarump	- 2735'	Callville	- 5420'
Sinbad	- 3575'	Molas	- 5670'
Kaibab	- 3835'	Redwall	- 5720'
		TD	- 6100'

2. Estimated depth at which oil, gas, water or other mineral-bearing zones are expected to be encountered:

Formation & Depth

Expected oil zones: Kaibab @ 3835', Cedar Mesa @ 4545', Redwall @ 5720'

Expected gas zones: Kaibab @ 3835', Cedar Mesa @ 4545', Redwall @ 5720'

Expected water zones: Possible Navajo @ 785'

Expected mineral zones: None anticipated

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Minimum Specifications for Pressure Control:

Exhibit "A" is a schematic diagram of the blowout preventer equipment. The annular preventer will be tested to 1500 psi and the pipe and blind rams will be tested to 3000 psi upon nipple up. Pipe rams will be operationally checked each 24-hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. All checks of BOP will be noted on Daily Drilling Reports. Accessories to BOP equipment will include an upper and lower kelly cock, a floor safety valve, a drill string BOP, and a choke manifold with pressure rating equipment equal to the BOP stack.

Choke manifold and safety valves will be pressure tested to 3000 psi upon nipple-up. Exhibit "A" also shows the proposed Accumulator Unit and Choke Manifold. Hydraulic controls for BOPE will be located at the Accumulator Unit with hand wheel back-up.

BOP systems will be consistent w/API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surf csg plug & will remain in use until the well is completed or abandoned. Preventers will be inspected & operated at least daily to ensure good mechanical working order, & this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. The Resource Area will be notified 48 hours in advance when pressure tests are to be conducted.

4. Proposed Casing Program:

<u>Casing</u>	<u>Hole Size</u>	<u>Interval</u>	<u>Length</u>	<u>OD</u>	<u>Section Weight, Grade</u>	<u>Size Connection</u>	<u>New/Used</u>
<u>Conductor</u>							
20" conductor will be set @ 60' GL w/a dry hole digger & cmt'd to surf w/± 5.0 yd ³ of redimix.							
Surface	17-1/2"	0 - 800'	800'	13-3/8"	54.5#	K-55,STC	New
Intermediate	12-1/4"	0 - 2400'	2400'	9-5/8"	36.0#	K-55,STC	New
Production	8-3/4"	0 - 6100'	6100'	7"	23.0#	K-55,STC	New

Cement Program:

Surface Casing: Cmt to surf w/±940 sx Cl "H" w/2% CaCl₂+ add. Cmt to be circ to surf. Mixed @ 14.5 ppg, yield: 1.54 ft³/sx.

Intermediate Csg: Mix & pmp ±690 sx. lite cmt mixed @ 12.7 ppg, yield 1.84 ft³/sx foll'd by 200 sx Cl "H" w/2% CaCl₂ & add mixed @ 15.5 ppg, yield 1.22 ft³/sx. Cmt to be circ to surf.

Production Csg: Mix & pmp ±110 sx lite cmt mixed @ 12.7 ppg, yield 1.84 ft³/sx, foll'd by 230 sx Cl "H" cmt w/2% CaCl₂ & add mixed @ 15.5 ppg, yield 1.22 ft³/sx. Estimated top of cmt @ 2400'.

Note: Hole conditions will dictate type & percentage of additives to be used.

All potentially productive hydrocarbon zones will be cmt'd to prevent communication. Actual production csg cmt volumes will be based upon caliper log plus 15%-20% excess. ✓

Anticipated cmt tops will be reported as to depth, not the expected number of sacks. The Resource Area will be notified 48 hrs in advance when running casing strings and cement.

5. Type and Characteristic of Proposed Drilling Fluids:

Mud system will be gel-chemical for the surface hole with adequate stocks of sorptive agents on site to handle possible spills of fuel and oil on the surface. Adequate mud materials will be stockpiled on location to completely rebuild entire mud system volume (surface volume + hole volume). Surface volume estimated at ± 500 bbls. An Air-Airmist system will be used below the surface casing and may be converted to a Low Solids non-dispersed mud if hole conditions dictate.

<u>Depth</u>	<u>Type</u>	<u>Weight #/gal.</u>	<u>Visc. sec/qt.</u>	<u>Fluid Loss</u>
0'- 800'	Fresh water gel, lime, spud mud	8.3-8.6	30-40	No control
800'-TD	Air-Airmist; maybe converted to LSND if hole conditions dictate	8.8-9.0	35-45	15 cc

A shale shaker, desander, and desilter will be utilized to aid in solids control when drilling with mud.

Blooiie line will be misted to reduce fugitive dust when air drilling.

6. Coring, Logging, and Testing Program:

- Coring: Four 60' cores in intervals selected by wellsite geologist (possible Kaibab, Cedar Mesa, Redwall).
- DSTs: Four open hole DSTs are planned in intervals selected by wellsite geologist.
- Logging as follows:

<u>Open Hole</u>	<u>Cased Hole</u>
BHCS/GR/Cal - TD to base of surf csg	CBL/CCL/GR/VDL - TD to TOC
FDC/CNL/GR/Cal - " " " "	
DLL/MSFL/SP/GR - " " " "	

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Richfield District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. H₂S is not anticipated at any depths in this well.

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8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the Henry Mountain Resource Area at (801)542-3461, forty-eight (48) hours prior to beginning any dirt work on this location.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the Area Manager (Richfield District at 801-896-8221) within a minimum of twenty-four (24) hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329, "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed directly with the BLM Richfield District Office, 150 E. 900 N., Richfield, Utah 84701.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to the effect will be filed for prior approval of the District Manager, all conditions of this approval plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved by the District Petroleum Engineer.

Should the well be successfully completed for production, the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

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No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed as follows: According to regulations.
The top of the marker will be closed or capped.

The following minimum information will be permanently placed on the marker with a plate, cap or beaded-on with a welding torch:

"Fed" or "Ind", as applicable. "Well number, location by 1/4 1/4 section, township and range". "Lease number". "Operator".

Other: The anticipated spud date is November 26, 1984. ARCO Oil & Gas Company has in effect a \$150,000 Nation Wide Drilling Bond (#7943391) to cover drilling operations on all Federal lands. ARCO Oil & Gas Company is the current lessee of record on the subject lease.

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B. SURFACE USE PLAN

1. Existing Roads:

- a. The location is approximately 1.3 miles west of Bicknell, Utah. The proposed wellsite and elevation plat are shown as Exhibit "B". Staking included two directional reference stakes.
- b. Exhibit "C" describes the route to location. From Bicknell, Utah take Hwy 24 1.3 miles west towards Loa, turn left and go 0.1 miles to location.
- c. There will not be any improvements or maintenance to existing roads. Exhibit "D" shows all roads near the location.

2. Planned Access Roads to be Constructed:

1. Width will be 18' (top surface).
2. Maximum grade will be 8%.
3. There are no major cuts or fills.
4. Turnouts are not required.
5. The access road will be designed to ensure proper drainage, it is centerline flagged from the county road.
6. One 18" x 30' culvert is required on the access road approximately 50' from the location.
7. There will not be any fence cuts.
8. All surfacing material will be from materials located at the access road. No additional surface material will be required.
9. There are no existing facilities on the proposed location.
10. Road construction will be in conformance to Class III road standards.

Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

Surfacing material will not be placed on the access road or location without prior BLM approval.

Six (6) inches of topsoil will be saved along the access road route and stockpiled separately so that it may be replaced should the access road be reclaimed.

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Drainages shall not be plugged by road bed. Drainage crossings shall be constructed so as not to cause siltation or accumulation of debris. Where siltation or accumulation of debris occurs the drainage crossing shall be reworked or relocated.

3. Location of Existing Wells:

1. Water wells - none.
2. Injection wells - None
3. Disposal wells - None
4. Producing wells - None
5. Drilling wells - None
6. Temporarily abandoned wells - None
7. Abandoned wells - None
8. Shut-in wells - None
9. Monitoring or observation wells - None

4. Location of Tank Batteries and Production Facilities:

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows:

per Rocky Mountain Five State Interagency Committee

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

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The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

ARCO Oil & Gas Company does not own or operate any facilities within a one-mile radius of the proposed location. This well is a wildcat. If the well is a producer, a Sundry Notice will be filed describing all proposed production facilities.

5. Location and Type of Water Supply:

A. All water needed for drilling purposes will be obtained from:

Fremont Irrigation Company
Contact: Dudley Brian at (801) 836-2775
Water location is at the Spring Creek, approx. 1 block west of Loa, Utah.

A temporary water use permit for this operation will be obtained from the Utah State Engineer & Fremont Irrigation Company. Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land. An approved temporary water use permit will be filed under a separate letter.

B. Water trucks will be used to haul water to location.

C. No water well will be drilled.

D. No water will be taken off Federal lands.

6. Source of Construction Material:

Pad construction material will be obtained from cut material located onsite. No material will be taken from lands other than the proposed location.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Source of construction material will be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit will not be lined unless at time of construction it is deemed necessary by a BLM authorized officer, if so, the reserve pit will be lined prior to spud.

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Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying. The fence will be four strands of barb wire.

All trash must be contained in a portable wire cage and disposed of at a sanitary landfill. No burning will take place. Operator will be responsible for trash and roadside litter generated by their operation along their access route; from the main highway (Utah 24) to the location. In the event a burn permit is acquired, the operator will dispose of non-burnable items by using the portable trash cage.

Produced waste water will be confined to a lined pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

Drill cuttings will be buried in the reserve pit. Drilling fluids will be handled and disposed of in the reserve pit. Any fluids produced during drilling test or while making production test will be collected in a test tank. Any spills of oil, gas, salt water or other noxious fluids will be cleaned up and removed.

Chemical toilet facilities will be provided for human waste. Garbage and non-flammable waste will be handled in a closed wire cage. Drill fluids, water, drilling mud and tailings will be kept in reserve pit.

After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. All dangerous open pits will be fenced during drilling and kept closed until such time as the pit is leveled.

8. Ancillary Facilities:

Living facilities will be required. They will be located onsite. Three (3) or four (4) trailers will be on location, they will be equipped with concrete septic tanks (closed system). The septic tanks will be pumped as required. No waste will be disposed of on location. The closed concrete septic tank will conform to local health regulations.

9. Well Site Layout:

The reserve pit will be located on the north side of location. Exhibit "E" is drillsite location as staked. Exhibit "F" shows planned cuts and fills.

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The top 6" of soil material will be removed from the location and stockpiled separately off the location on the West side. This stockpile will contain approximately 1500 yds³. Topsoil along the access road will be reserved in place adjacent to the road. If inadequate topsoil is stockpiled, the operator will bring in suitable material from outside sources at his expense.

Access to the well pad will be from Utah 24 to the north side of the location. The access road is centerline flagged from the county road.

A portable trash pit will be allowed on location.

Exhibit "G" is a diagram of the rig and equipment.

10. Plans for Restoration of Surface

Immediately upon completion of drilling, the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

The operator or his contractor will notify the Henry Mountain Resource Area (Hanksville) at (801)542-3461 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Before any earthwork to restore the location takes place, the reserve pit will be dry and all trash (barrels, metal, etc.) it contains must be removed from public lands. Any dispersal of clarified drilling mud/drilled fluids over the drill location is subject to the approval of the authorized officer.

The pit will be drained into a network of trenches 2" to 3" feet wide and a minimum of 4' deep and covered with earth (not the stockpiled topsoil). All trash contained in the pit (barrels, metal, etc.) must be removed from public lands. Recontouring of the location and pit can be started immediately.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.

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All disturbed areas will be scarified with the contour to a depth of 8-12 inches. Do not smooth pads out, leave a roughened surface.

Seed will be broadcast or drilled as soon as possible upon completion during a period as specified by the BLM authorized officer with the attached seed prescription. Seeding will be repeated until vegetation is successfully established. Seeding will be done in presence of the authorized officer.

After seeding is complete, the stockpiled sagebrush will be scattered evenly over the disturbed area and walked down with a dozer. The access will be blocked to prevent ingress and egress of vehicular traffic.

The following seed mixture will be used on the access road and location:

- | | |
|----------------------------|------------|
| 1. Palmers Penstamian | 2 lbs/acre |
| 2. Crested Wheatgrass | 2 lbs/acre |
| 3. Intermediate Wheatgrass | 4 lbs/acre |
| 4. Antelope Bitterbrush | 2 lbs/acre |
| 5. Blue Gramma | 4 lbs/acre |
| 6. Louis Flax | 2 lbs/acre |

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed. The time required to complete the reclamation will depend upon the area to be reclaimed. ARCO Oil and Gas Company agrees to begin reclamation as soon as weather conditions are suitable and further agrees to complete the project in a timely manner.

11. Surface and Mineral Ownership:

The location surface and mineral rights are both Federal, administered by the BLM.

12. Other Information:

For any questions regarding this permit, please contact Mr. Harold Engel of our Drilling Department at (303)293-7305, or Ms. Suzanne Barnes at (303)293-1077.

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There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan, and any additional BLM stipulations prior to any work.

If any cultural material is exposed during construction, all work will stop and the BLM Resource Area Office will be contacted. A copy of the cultural resource report prepared by Powers Elevation is attached as Exhibit "I".

All employees working in the area will be informed by the operator that they will be subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operator's Representative and Certification:

Larry Morse
ARCO Oil and Gas Company
P. O. Box 5540
Denver, Colorado 80217
Bus. Tele: (303) 293-7031

J. M. McCarthy
ARCO Oil and Gas Company
P. O. Box 5540
Denver, Colorado 80217
Bus. Tele: (303) 293-7127
Res. Tele: (303) 293-1339

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Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by ARCO Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

11/1/84
Date

Larry Morse
Larry Morse
Operations Manager
ARCO Oil and Gas Company

HRE
JED
KHP

ARCO Oil & Gas Company
ARCO #1 USA-HNG
NE1/4 SE1/4 Sec. 27-T28S-R3E
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The onsite inspection was held 10/23/84

PARTICIPANTS:

Harold R. Engel

Leonard Henney

Patrick Stong
Ray Blaisdell
Verl Christenson

TITLES:

Drilling Engineer, ARCO Oil & Gas
Company

Ross Construction Company

BLM
BLM
BLM

District Office contact is John Branch

Office phone: (801)896-8221

City: Richfield

State: Utah

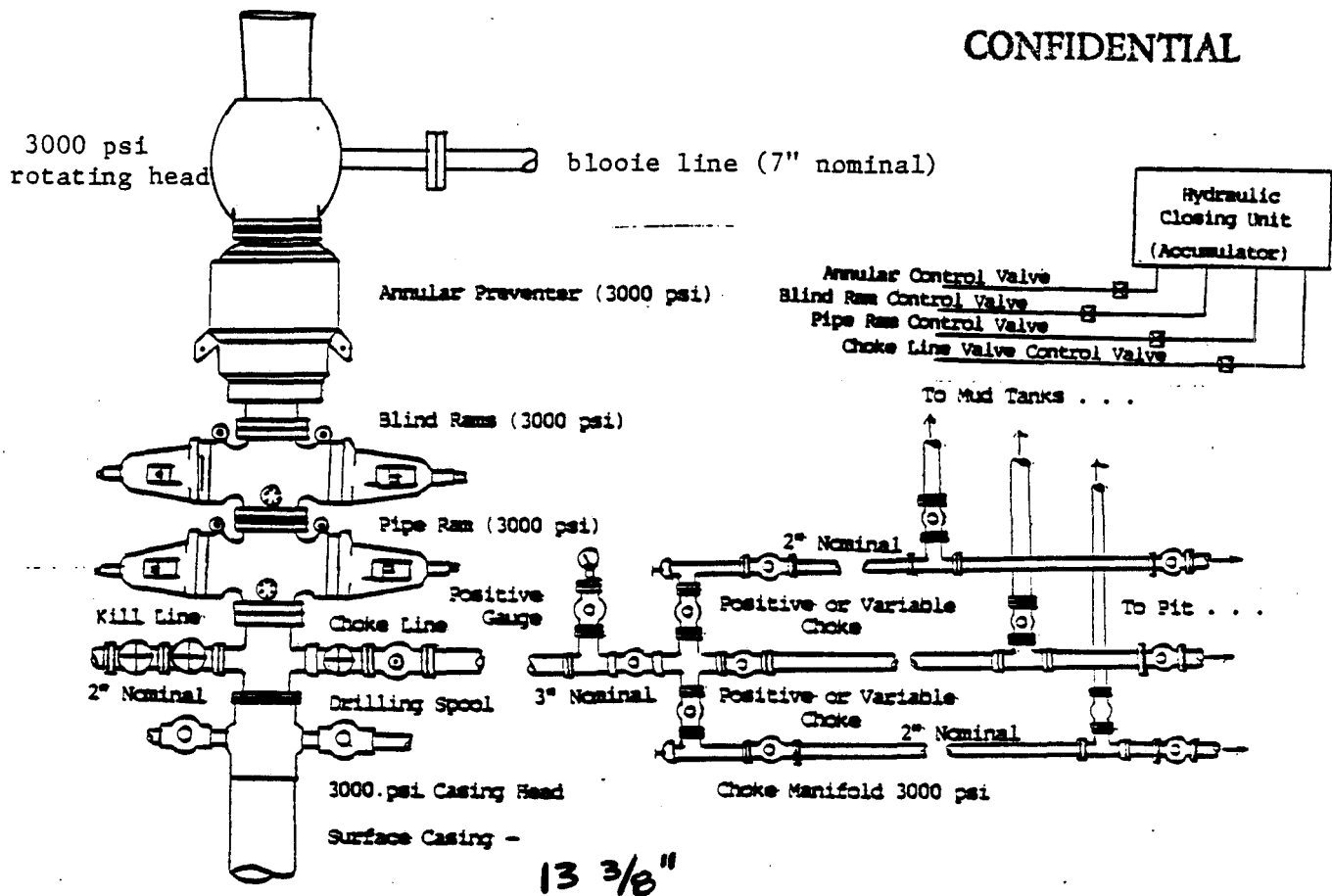
Resource Area Manager's address and contacts are:

Address: P.O. Box 99, Hanksville, Utah 84734

Your contact is: Patrick Stong
Office phone: (801)542-3461

EXHIBIT "A"
Well Control Equipment
3M-10-SFRA

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1. All BOP equipment shall be fluid and/or mechanically operated.
2. BOP's and all fittings will be in good working condition and rated at 3000 psi W.P. minimum.
3. Equipment through which bit must pass shall be at least as large as casing size being drilled.
4. Nipple above BOP shall be at least same size as casing being set.
5. Upper Kelly Cock and lower Kelly Cock shall be 3000 psi W.P. minimum.
6. Floor safety valve (full opening) and drill string BOP with appropriate rated pressure shall be available on rig floor with connections or subs to fit any tool joint in string.
7. Minimum size for choke line shall be 3 inches nominal diameter, minimum size for vent lines downstream of chokes shall be 2 inches nominal, and vent line which by-passes shall be a minimum of 3 inches nominal and shall be as straight as possible.
8. Fluid lines from accumulator to BOP's and all remote control fluid lines shall be steel and rated at or above maximum accumulator pressure. Lines shall be bundled and protected from damage.
9. Rams will be used in following positions: (ARCO Dril. Supv. may reverse ram location)

Upper Ram	<u>Drilling</u>	<u>Running Casing</u>
Lower Ram	Blind	Blind
	Drillpipe	Casing Rams

10. Minimum size for kill line is 2 inches nominal.
11. Extensions and hand wheels shall be installed.

ALL SPECIFICATIONS LISTED ARE PER API-RP53

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OPERATOR Arco Oil & Gas Co. DATE 11-6-84
WELL NAME Arco #1 USA-HNG
SEC NE SE 27 T 28S R 3E COUNTY Wagoner

43-055-30037
API NUMBER

Prod
TYPE OF LEASE

CHECK OFF:

☒

PLAT

☒

BOND

☐

NEAREST WELL

☒

LEASE

☒

FIELD

☐

POTASH OR
OIL SHALE

PROCESSING COMMENTS:

No other wells within 1000' - Exception requested
Need water permit

APPROVAL LETTER:

SPACING:

☐

A-3

UNIT

☐

C-3-a

CAUSE NO. & DATE

☐

C-3-b

☒

C-3-c

STIPULATIONS:

1- Water



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 8, 1984

Arco Oil and Gas Company
P.O. Box 5540
Denver, Colorado 80217

Gentlemen:

Re: Well No. Arco #1 USA-HNG - NE SE Sec. 27, T. 28S, R. 3E
1900'FSL, 920'FEL - Wayne County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3(c), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2

Arco Oil and Gas Company

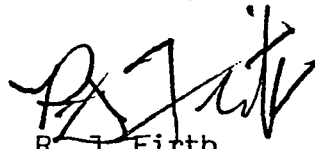
Well No. Arco #1 USA-HNG

November 8, 1984

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-055-30037.

Sincerely,

A handwritten signature in dark ink, appearing to read 'R. J. Firth', is written over a horizontal line.

R. J. Firth

Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals

Noted Lemm



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
RICHFIELD DISTRICT OFFICE
150 EAST 900 NORTH
RICHFIELD, UTAH 84701

IN REPLY
REFER TO:

3100
(U-052)

April 3, 1986

Mr. J. M. McCarthy
Area Oil and Gas Co.
P O Box 5540
Denver, Colorado 80217

Arco??

Re: Oil and Gas Well
Arco #1 USA-Hng
Lease U-52606
T. 28 S., R. 3 E., Sec. 27

Dear Mr. McCarthy:

On November 20, 1984, an application for permit to drill (APD) was approved for the above referenced well. The approval period in which to begin drilling operations for this well, as referenced in the approved APD, was for 1 year from the date of approval. Drilling operations were never initiated for this well, and the approval period expired on November 20, 1985. Approval to drill this well is hereby rescinded. Should you desire to drill this well at some future date, a new APD must be submitted.

Sincerely,

Donald L. Pendleton
Donald L. Pendleton
District Manager

cc: U-922 ✓
HMRA



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 9, 1986

Arco Oil and Gas Company
P.O. Box 5540
Denver, Colorado 80217

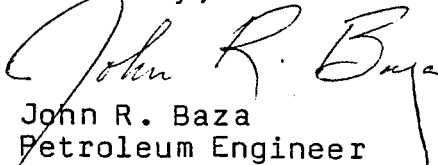
Gentlemen:

RE: Well No. Arco #1 USA-HNG, Sec.27, T.28S, R.3E,
Wayne County, Utah, API NO. 43-055-30037

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb
cc: BLM-Richfield
D. R. Nielson
R. J. Firth
Well file
0278T-28